

Anti-Bribery and Corruption Policy

Cardano Development Anti-Bribery and Corruption Policy

Updated Date: May 2023

Approved by: Stichting Cardano Development Supervisory Board

Audience: Stichting Cardano Development, Cardano Development, All Cardano Development Companies and Frontier Finance Solutions

Custodian: Senior Operations Manager

1. Introduction

This document sets out Cardano Development Group's ("CD") Anti-Bribery and Corruption Policy ("Policy") and management framework. It sets out the policy requirement, minimum standards and controls which are designed to prevent and combat financial crime and bribery violations that may occur in connections with the activities of CD.

This policy (the Anti-bribery and Corruption, Policy) applies to all employees, directors, contractors, and agents ("Personnel") of Stichting Cardano Development, Cardano Development B.V., Frontier Finance Solutions B.V. and all subsidiaries controlled directly or indirectly by Frontier Finance Solutions B.V. (In this document hereafter collectively referred to as "CD" or the "CD Companies" and each, a "CD Company").

Cardano Development Group expects the managing boards of all its affiliates to either:

- (a) adopt the policy as stated herein; or
- (b) if required to address a need particular to that affiliate, adopt an alternative policy with substantially similar intent.

2. Policy Scope

For the purpose of this Policy corrupt practices and bribery violations shall include all forms of financial crime, including:

- Money laundering
- Terrorist financing
- Fraud
- Bribery and corruption
- Facilitation of tax evasion
- Insider dealing and market manipulation or abuse.
- Any other activity defined as financial crime (or equivalent) under any applicable or regulations.

3. Policy Statement

Cardano Development is committed to conduct its business upholding the highest ethical standards and good governance. CD has adopted a zero tolerance to all forms of financial crime including fraud, bribery, corruption, money laundering, financing terrorism, integrity violation and other misconduct.

CD will uphold laws relevant to countering bribery and corruption in all the jurisdictions in which CD operates, however CD remains bound by Dutch laws, including the Bribery of Public Officials and Private Commercial Bribery.

CD is committed to taking appropriate steps to ensure that such risks are minimised and mitigated. CD and all Applicable Persons shall take all appropriate measures to prevent and combat financial crime and integrity violations.

CD and all Applicable Persons shall not:

- a) Engage in any activity, nor enter into any transaction, prohibited by any United Nations Security Council (UNSC) resolution issued by Chapter VII of the UN Charter; or
- b) Have involvement with any party that is an entity or person:
 - i. Sanctioned pursuant to any UNSC resolution issued under Chapter VII of the UN Charter; on the World Bank Listing of Ineligible Firms and Individuals (www.worldbank.org/en/projects-operations/procurement/debarred-firms or any successor website or location); or
 - ii. Convicted, indicted or subjected to any similar criminal sanctions, by any court or government body of competent jurisdiction, for engaging in money laundering or financing of terrorism or any sanctionable practice, unless a government body of a competent jurisdiction has confirmed that appropriate remedial action has been taken.

At minimum CD and all Applicable Persons are required to comply with all applicable laws and regulations in respect of anti-money laundering and combating the financing terrorism and uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which they conduct business. Where local laws specifically are more stringent or different requirements, these shall prevail.

Senior management (the group of executives with responsibility for the daily planning, supervision and administration) of each CD company has a responsibility to ensure that this Policy is fully implemented within CD and that proportionate systems and controls have been defined and are working effectively. This includes activities that are outsourced or undertaken by third party contractors. If a third-party fails to comply with this Policy or a comparable policy, it will not be possible for CD to provide funding to such third-party, either directly or indirectly.

4. Policy Standards

CD companies shall apply the following standards in order to achieve the aims and objectives of this Policy to manage CD's exposure to financial crime risk:

- i. Business activity – CD companies, or any person acting on their behalf, shall not enter into any activity that would result in financial crime, nor may they enter into any activity that would enable others in committing a financial crime.

- ii. Risk assessment – each CD company shall ensure that a current assessment of its exposure to financial crime risk is maintained and approved by senior management and that its risk appetite and tolerances are documented and approved in line with their Risk Appetite Statement. This should be reviewed and updated at least annually.
- iii. Systems and controls – each CD company shall design and implement proportionate systems and controls to manage its activities in accordance with this Policy (taking account of its current financial crime risk assessment, appetite, and tolerances) and ensure these are operating effectively.
- iv. Due diligence – Due diligence is to be undertaken in accordance with the CD Due Diligence Policy. Where CD companies enter into a business relationship (including one off transactions) with another party, they shall undertake an appropriate due diligence assessment of the financial crime risks presented by the business relationship and define periodic re-assessments of that risk. Enhanced due diligence measures shall be undertaken where the risk assessment determines the business relationship to be high risk. This may include, inter alia, any business relationship with a person established in a high-risk third country or in relation to any relevant transaction where either of the parties to the transaction is established in a high-risk third country.
- v. Screening – prior to entering into a business relationship, each CD companies shall take steps to identify whether any party with whom they propose to have a business relationship is subject to any form of sanctions or performs a prominent public role and to assess the risk presented by any such business relationship. This shall be continued for the duration of the business relationship taking account of the financial crime risk assessment.
- vi. Monitoring for unusual activity – each CD company shall put in place monitoring, appropriate to the financial crime risk presented, to demonstrate adherence to this Policy and to enable CD to identify any suspicious activity.
- vii. Suspicious activity – where an individual has any knowledge or suspicion of a financial crime, they shall immediately report it to the CD company’s Nominated Officer designated to receive such reports.
- viii. Safeguards – shall be developed and implemented to ensure that any employee who reports a suspicion of wrongdoing in good faith and in accordance with the CD Complaints and Whistleblowing Operating Policy must not suffer detriment as a result of making such a report.
- ix. Record keeping - CD shall maintain adequate records to fulfil its regulatory obligations and to meet its business purposes. Personal data obtained to comply with regulatory obligations shall only be processed for the specified purposes; no other use may be made of the data, unless permitted under other law, or the party to whom the data relates provides their consent in accordance with the CD Company’s Data Protection Policy and applicable data protection legislation.
- x. Employee vetting - CD companies shall determine and document the level of pre-employment and on-going vetting required for all roles that exist within their company, which shall include establishing whether a particular role creates a financial crime risk, the risk of an individual committing or facilitating financial crime, and how that risk will be mitigated.
- xi. Employee awareness and training – CD shall ensure that all employees are aware of their obligations in relation to financial crime or integrity violations, most significantly their obligation to report any suspicious activity or wrongdoing and the safeguards in place to

protect them if making such a report. Senior management shall ensure that all employees complete the designated training in the timescale directed and more targeted training is provided for those occupying relevant roles. All employees must complete their training in the timescale directed by their senior management.

- xii. Nominated Officer - CD companies shall appoint a Nominated Officer who will be responsible for receiving disclosures regarding financial crime or other integrity violation. This role may be fulfilled by a CD company's Money Laundering Reporting Officer (MLRO) where a CD company has appointed a MLRO.

5. Standards for Investigations

5.1 Investigative Procedure

CD Requires that all instances, suspicion, knowledge or allegations of financial crime or integrity violation be investigated thoroughly and, where appropriate, refer to the relevant authorities. The purpose of an investigation is to examine the veracity of allegations of financial crime or other integrity violation for submission to the CD Supervisory Board.

CD requires that all allegations of financial crime assessed as having, or likely to have a Medium or above impact in accordance with the CD risk assessment be immediately notified by nominated officer to the CD Supervisory Board. The CD Supervisory Board will then agree the investigative procedure to be carried out.

Where appropriate, CD Supervisory Board, may nominate an investigative Officer (who must not have any real, apparent or perceived conflict of interest) for the purpose of conducting investigations into financial crime and integrity violations by any part of CD or an Applicable Person.

The principal responsibility of the Investigative Officer is to conduct an independent and objective investigations in relation to the allegations, knowledge or suspicion of financial crime and to report the findings of any such investigation to the CD Supervisory Board. Where evidence of financial crime or other integrity violation is found, CD will seek prosecution of offenders, the application of appropriate penalties (including not using or engaging in the offender again) and recovery of misappropriate funds or assets wherever possible and practicable. CD will also comply with all the obligations regarding the reporting of such matters to the appropriate national authorities.

5.2 Objective, Impartial, Fair and Timely

Any investigation shall be conducted competently and with the highest level of integrity, objectivity, impartially and fairness throughout the investigative process. In particular, the Investigative Officer's duties shall be performed independently from their day to day involvement in the operations of CD and they shall be free from improper influence and fear of retaliation.

The investigation of allegations shall be conducted promptly, thoroughly and in confidence, with the use of such internal and external resources as considered necessary.

5.3 Obligation to Cooperate

All Applicable Persons shall have an obligation to cooperate with the Investigative Officer. In case of refusal to cooperate, the Investigative Officer may refer to the CD Supervisory Board for appropriate action. Failure to cooperate shall include not responding in a timely and complete manner to enquiries, failure to provide relevant documents or other relevant evidence that the Investigative Officer may request (unless any agreed exceptions apply), destroying or concealing evidence, mispresenting facts, or otherwise inhibiting an investigation.

5.4 Third Parties

All CD companies shall use their best endeavours to obtain co-operation of Third Parties and CD Recipients and any third parties acting for and, on their behalf, during the course of any investigation.

6. Gift and Hospitality

Gift and hospitality remain a legitimate part of conducting business and should be provided only in compliance with the guiding principles. CD has designed a separate Gift and Hospitality Policy outlining detailed guidance and principles.

7. Consequences of non-compliance

Any Applicable Persons or any CD organization found guilty of bribery may face fines and/or prison terms. In addition, high legal costs and adverse publicity are likely to result from any breach of this policy.

For employees of CD, failure to comply with this policy may result in:

- Disciplinary action which may include dismissal; and
- Criminal penalties which may result in a fine and/or imprisonment.

For CD, any breach of this policy by any director or employee or business associate may result in:

- Being subject to fines; and
- Suffering negative publicity and further associated damage as a result of such breach.

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